

Four Contamination Tax Examples

Example 1: Commercial Preferred Parcel with One Market Value Reduction for Contamination

Market Valuation

1. Market Value Irrespective of Contaminants	\$	900,000
2. Contamination Value Loss		750,000
3. Property Tax Estimated Market Value (1 - 2)	\$	150,000
4. Green Acres Deferment		NA
5. Open Space Deferment		NA
6. Limited Market Value Reduction		NA
7. Platted Vacant Land Exclusion		NA
8. "This Old House" Exclusion		NA
9. "This Old Business" Exclusion		NA
10. Property Tax Taxable Market Value (3 - 4 - 5 - 6 - 7 - 8 - 9)	\$	150,000

Net Tax Capacity

11. Property Tax Net Tax Capacity *	\$	2,250
12. Market Value Total (2 + 10)		900,000
13. Market Value Total Net Tax Capacity **		17,250
14. Contamination Net Tax Capacity (13 - 11)	\$	15,000

Contamination Tax

15. Contamination Tax Rate (approved cleanup plan/responsible party)		50%
16. Contamination Tax (14 x 15)	\$	7,500.00

* First \$150,000 of taxable market value (line 10) @ 1.50%, excess over \$150,000 @ 2.00%.

** First \$150,000 of market value (line 12) @ 1.50%, excess over \$150,000 @ 2.00%.

Note: This example reflects the class rate percentages in effect for the taxes payable year 2002.

Example 2: Commercial Preferred Parcel with Two Forms of Contamination — Separate Market Value Reductions

Market Valuation

1. Market Value Irrespective of Contaminants	\$ 900,000
2. Contamination Value Loss	
(a) \$600,000 (80%) @ the 25% Tax Rate	
(b) \$150,000 (20%) @ the 100% Tax Rate	
(c) Total (a + b)	750,000
3. Property Tax Estimated Market Value (1 - 2c)	150,000
4. Green Acres Deferment	NA
5. Open Space Deferment	NA
6. Limited Market Value Reduction	NA
7. Platted Vacant Land Exclusion	NA
8. "This Old House" Exclusion	NA
9. "This Old Business" Exclusion	NA
10. Property Tax Taxable Market Value (3 - 4 - 5 - 6 - 7 - 8 - 9)	\$ 150,000

Net Tax Capacity

11. Property Tax Net Tax Capacity *	\$ 2,250
12. Market Value Total (2c + 10)	900,000
13. Market Value Total Net Tax Capacity **	17,250
14. Total Contamination Net Tax Capacity (13 - 11)	\$ 15,000
(a) Portion @ the 25% Tax Rate (\$15,000 x 80%) ***	12,000
(b) Portion @ the 100% Tax Rate (\$15,000 x 20%) ****	3,000

Contamination Tax

15. Contamination Tax Rates (no cleanup plan/non-responsible party & no cleanup plan/responsible party)	25% & 100%
16. Contamination Tax	
(a) @ the 25% Tax Rate (14a x 25%)	\$ 3,000.00
(b) @ the 100% Tax Rate (14b x 100%)	3,000.00
(c) Total (a + b)	\$ 6,000.00

* First \$150,000 of taxable market value (line 10) @ 1.50%, excess over \$150,000 @ 2.00%.

** First \$150,000 of market value (line 12) @ 1.50%, excess over \$150,000 @ 2.00%.

*** The 80% factor is the ratio of the contamination value loss @ the 25% tax rate (Line 2a) to the total contamination value loss (Line 2c).

**** The 20% factor is the ratio of the contamination value loss @ the 100% tax rate (Line 2b) to the total contamination value loss (Line 2c).

Note: This example reflects the class rate percentages in effect for the taxes payable year 2002.

**Example 3: Commercial Preferred Parcel with
Two Forms of Contamination — Separate Market Value Reductions
One Reduction Less Than \$10,000**

Market Valuation

1. Market Value Irrespective of Contaminants	\$ 900,000
2. Contamination Value Loss	
(a) \$741,000 (98.8%) @ the 25% Tax Rate	
(b) \$9,000 (1.2%) @ the 100% Tax Rate (No contamination tax for this rate, since the MV reduction is below \$10,000)	
(c) Total (a + b)	750,000
3. Property Tax Estimated Market Value (1 - 2c)	150,000
4. Green Acres Deferment	NA
5. Open Space Deferment	NA
6. Limited Market Value Reduction	NA
7. Platted Vacant Land Exclusion	NA
8. "This Old House" Exclusion	NA
9. "This Old Business" Exclusion	NA
10. Property Tax Taxable Market Value (3 - 4 - 5 - 6 - 7 - 8 - 9)	\$ 150,000

Net Tax Capacity

11. Property Tax Net Tax Capacity *	\$ 2,250
12. Market Value Total (2a + 10) **	891,000
13. Market Value Total Net Tax Capacity ***	17,070
14. Total Contamination Net Tax Capacity (13 – 11)	\$ 14,820

Contamination Tax

15. Contamination Tax Rate (no cleanup plan/non-responsible party)	25%
16. Contamination Tax (14 x 15)	\$ 3,705.00

* First \$150,000 of taxable market value (line 10) @ 1.50%, excess over \$150,000 @ 2.00%.

** Under the \$10,000 minimum market value reduction provision, the \$9,000 contamination value loss @ the 100% tax rate is excluded from the market value total.

*** First \$150,000 of market value (line 12) @ 1.50%, excess over \$150,000 @ 2.00%.

Note: This example reflects the class rate percentages in effect for the taxes payable year 2002.

Example 4: Residential Homestead Parcel

Market Valuation

1. Market Value Irrespective of Contaminants	\$	130,000
2. Contamination Value Loss		25,000
3. Property Tax Estimated Market Value (1 - 2)	\$	105,000
4. Green Acres Deferment		NA
5. Open Space Deferment		NA
6. Limited Market Value Reduction (based on the line 3 EMV)		5,000
7. Platted Vacant Land Exclusion		NA
8. "This Old House" Exclusion		40,000
9. "This Old Business" Exclusion		NA
10. Property Tax Taxable Market Value (3 - 4 - 5 - 6 - 7 - 8 - 9)	\$	60,000

Net Tax Capacity

11. Property Tax Net Tax Capacity *	\$	600
12. Market Value Total (2 + 10)		85,000
13. Market Value Total Net Tax Capacity **		850
14. Contamination Net Tax Capacity (13 - 11)	\$	250

Contamination Tax

15. Contamination Tax Rate (no cleanup plan/non-responsible party)		25%
16. Contamination Tax (14 x 15)	\$	62.50

* First \$500,000 of taxable market value (line 10) @ 1.00%, excess over \$500,000 @ 1.25%.

** First \$500,000 of market value (line 12) @ 1.00%, excess over \$500,000 @ 1.25%.

Note: This example reflects the class rate percentages in effect for the taxes payable year 2002.